

The Security for Alabama Funds Enhancement, or SAFE Program, is encompassed in Title 41, Chapter 14A, Code of Alabama 1975, as amended, to provide a uniform program for the security of public funds deposited with financial institutions in the State of Alabama that qualify to serve as depositories for public funds. The Program requires any bank or financial institution in the State of Alabama, accepting any deposits of public funds, to ensure those funds by pledging eligible collateral to the State Treasurer for the SAFE collateral pool. The law further provides for safeguarding of public deposits by requiring the entire pool and each participating financial institution to stand behind each deposit. Rules of the Program have been developed subject to the Administrative Procedures Act, whereby the public was given the opportunity to make comments prior to their adoption. The Rules provide the details of the Program.

A Board of Directors is charged with the responsibility and authority to assess and manage the sufficiency of the collateral pool. The board meets at least quarterly and is comprised of 8 members who serve without compensation, except for reimbursement for travel associated with the meeting in accordance with state per diem rates. The Treasurer serves as a permanent, voting member and Chairman. The Superintendent of Banks serves as a permanent, non-voting member. The remaining six members are 4 representatives from the banking industry, one representative from the League of Municipalities, and one representative from the County Commission Association. The term of office of each appointed member is four years with any appointed member being eligible for reappointment and serving until a successor is selected.

**SAFE Member Application Process.** All public depositors are required by SAFE law to place their public deposit funds with one or more bank or savings institution that has met the requirements to become a member or "Qualified Public Depository" (QPD).

Bank or savings institutions interested in becoming a QPD are strongly encouraged to thoroughly read the SAFE Law (Sections 41-14A-1 through 14) and Rules (Chapter 892-S-1-.01 through .19) prior to submitting their application documents. These documents provide detailed information on the operational environment for the program.